

4. At 78 FR 63004, Oct. 23, 2013, supplement 1 to part 1024 was amended under *Section 1024.39—Early intervention requirements for certain borrowers*: the heading *Paragraph 39(c)* and paragraph 1 is removed; the heading *39(d)(1) Borrowers in bankruptcy* and paragraphs 1, 2, and 3 are added, effective Jan. 10, 2014. For the convenience of the user, the added and revised text is set forth as follows:

SUPPLEMENT I TO PART 1024—OFFICIAL
BUREAU INTERPRETATIONS

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SUBPART C—MORTGAGE SERVICING

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*Section 1024.39—Early intervention requirements
for certain borrowers*

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39(d)(1) Borrowers in bankruptcy.

1. *Commencing a case.* The requirements of §1024.39 do not apply once a petition is filed under Title 11 of the United States Code, commencing a case in which the borrower is a debtor.

2. *Obligation to resume early intervention requirements.* i. With respect to any portion of the mortgage debt that is not discharged, a servicer must resume compliance with §1024.39 after the first delinquency that follows the earliest of any of three potential outcomes in the borrower's bankruptcy case:

the case is dismissed, the case is closed, or the borrower receives a discharge under 11 U.S.C. 727, 1141, 1228, or 1328. However, this requirement to resume compliance with §1024.39 does not require a servicer to communicate with a borrower in a manner that would be inconsistent with applicable bankruptcy law or a court order in a bankruptcy case. To the extent permitted by such law or court order, a servicer may adapt the requirements of §1024.39 in any manner believed necessary.

ii. Compliance with §1024.39 is not required for any portion of the mortgage debt that is discharged under applicable provisions of the U.S. Bankruptcy Code. If the borrower's bankruptcy case is revived—for example if the court reinstates a previously dismissed case, reopens the case, or revokes a discharge—the servicer is again exempt from the requirement in §1024.39.

3. *Joint obligors.* When two or more borrowers are joint obligors with primary liability on a mortgage loan subject to §1024.39, the exemption in §1024.39(d)(1) applies if any of the borrowers is in bankruptcy. For example, if a husband and wife jointly own a home, and the husband files for bankruptcy, the servicer is exempt from complying with §1024.39 as to both the husband and the wife.

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PART 1025 [RESERVED]